

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Wolverine Power Supply Cooperative, Inc.**

)

**Docket No. ER04-132-000**

**NOTICE OF INTERVENTION AND PROTEST OF  
THE MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to Rule 211 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 and 385.214 (2003) and the Notice of Filing issued November 7, 2003, the Michigan Public Service Commission ("MPSC") hereby files a notice of intervention and protest in the above-captioned proceeding. The instant filing contains a number of changes to existing rates as well as new rate structures. The MPSC has not had an adequate opportunity to develop comments to many aspects of the filing. Based on a preliminary review, MPSC has not been able to determine if the filing is just and reasonable and accordingly, requests that the filing be set for hearing. In support of its intervention and protest Michigan states the following.

**I. Communications**

Copies of all pleadings and correspondence in the proceeding should be addressed to:

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## **II. Basis for Intervention**

The MPSC is an agency of the State of Michigan, created by 1939 Pub. Acts 3, Mich. Comp. Laws Ann. § 460.1 *et seq.* As the Michigan regulatory agency having jurisdiction and authority to control and regulate, rates, charges, and conditions of service for the retail sale of electricity in the State, the MPSC intervenes in this matter pursuant to the authority conferred by applicable state statutes, rules, and procedures.

The MPSC is vitally interested in matters involving the cost of electricity and energy paid by Michigan utilities and ratepayers. Wolverine Power Supply Cooperative, Inc.'s ("Wolverine") distribution cooperative members are all regulated by the MPSC. The MPSC has concerns about some of the proposals in this filing and the effect that they will have on MI ratepayers. The MPSC thus has a direct interest in this proceeding that cannot be adequately represented by any other party. Therefore, the MPSC's participation and intervention is in the public interest.

## **III. Description of Filing**

On October 31, 2003, Wolverine filed to revise, delete, and add specific rates and provisions respecting Wolverine's wholesale sales of power and energy to Wolverine's distribution cooperative members.

Wolverine filed to adjust rates when its FERMI II debt obligation ends. The proposed rates reflect removal of a 9.76 mill/Kwh Debt Restructuring Charge and introduce a new 5 mill/Kwh surcharge for the Power Supply Development Fund. This charge would be paid by the 4 owner coops, which have all agreed to the charge. This charge will not be assessed to Wolverine Power Marketing. The proposed Power Supply Development Fund surcharge will impact Michigan retail customers by almost \$10 million per year. Wolverine's revenue

requirements are based on a TIER of 1.10x. Wolverine proposes various tariff changes that include a new load control credit rider (that combines three existing riders), a new Distribution Radial Rate (for radial facilities only) and removal of the High Load Factor rate (that no customers use). The classification of distribution facilities is not the same as that recognized by the MPSC in its August 26, 2003 order in U-13862.<sup>1</sup>

#### **IV. Recommended Action**

The MPSC has not had an adequate opportunity to develop comments to many aspects of the filing. Based on a preliminary review, MPSC has not been able to determine if the filing is just and reasonable and accordingly, requests that the filing be set for hearing.

In addition, MPSC notes that the issues relating to the classification of transmission and distribution facilities by Wolverine are currently pending before the Commission in Docket No. ER02-2458-000. MPSC requests that the Commission accept this filing subject to the outcome of the issues pending before the Commission in Docket No. ER02-2458-000.<sup>2</sup>

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<sup>1</sup> In the Matter of the Commission's Own Motion, To Make An Administrative Determination Regarding the Proper Classification of Transmission and Distribution Facilities of Wolverine Power Supply Cooperative, Inc., And Submit Findings to the Federal Energy Regulatory Commission, Case No. U-13862 (issued Aug. 26, 2003). The MPSC submitted its findings to FERC on August 26, 2003. *See* Motion Of The Michigan Public Service Commission To Lodge August 26, 2003 Opinion And Order In Case No. U-13862, *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER02-2458-000 (filed on Aug. 26, 2003)

<sup>2</sup> A settlement was filed by Wolverine on July 11, 2003 in *Midwest Independent Transmission System Operator, Inc.*, Docket No. ER02-2458-000. MPSC filed comments to Wolverine's classification of transmission and distribution facilities on July 31, 2003.

## **V. Conclusion**

WHEREFORE, the Michigan Public Service Commission hereby provides notice of its intervention.

Respectfully submitted,

**THE MICHIGAN PUBLIC SERVICE COMMISSION**

By their attorneys:

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Dated: November 21, 2003

**CERTIFICATE OF SERVICE**

I hereby certify that on this 21st day of November 2003, I served copy of the foregoing document by first class United States mail, postage prepaid, to all parties listed on the official service list compiled by the Secretary in this proceeding.

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